

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

Annual Financial Statements

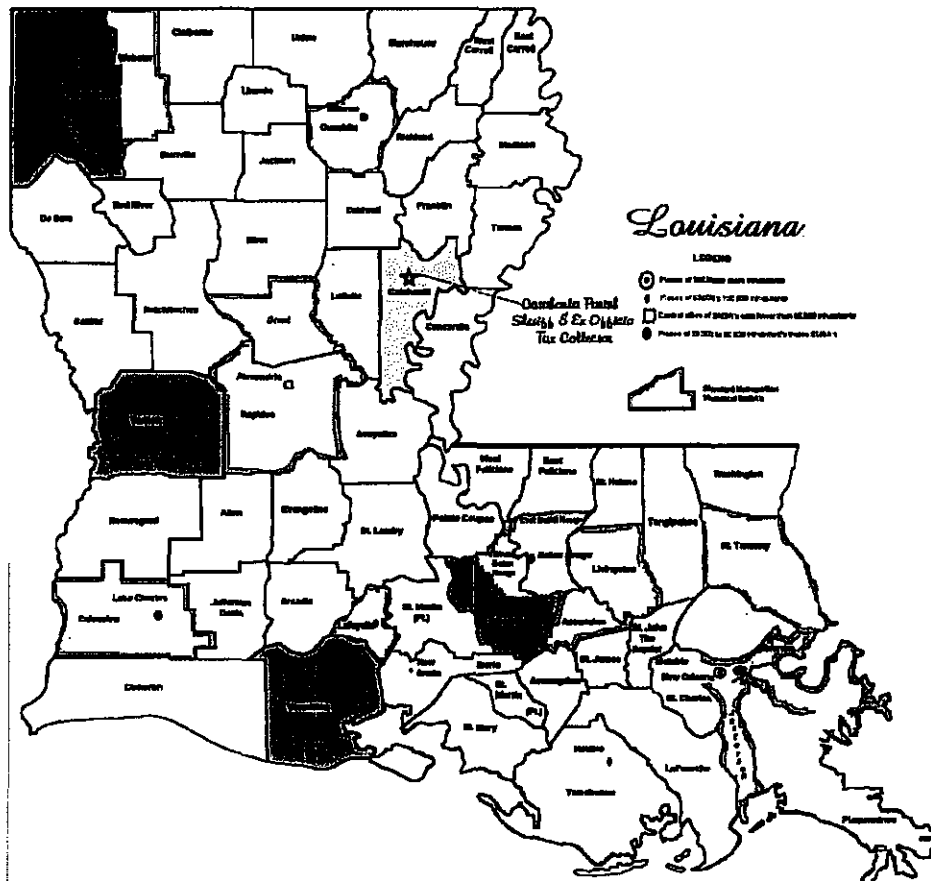
JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/26/07

CATAHOULA PARISH SHERIFF

Harrisonburg, Louisiana



* As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera, and provides assistance to other law enforcement agencies within the parish.

CATAHOULA PARISH SHERIFF
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June 30, 2007

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INDEPENDENT AUDITOR'S REPORT

Honorable Ronnie Book, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of and for the year ended June 30, 2007 which collectively comprise the Catahoula Parish Sheriff, Harrisonburg, Louisiana, basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Catahoula Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The agency funds have been prepared on the cash basis of accounting instead of the modified accrual basis as required by accounting principles generally accepted in the United States of America.

In our opinion, except for the presentation of the agency funds on the cash basis as discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2007, on our consideration of the Catahoula Parish Sheriff's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

John R. Vercher PC

August 21, 2007

Jena, Louisiana

CATAHOULA PARISH SHERIFF

Ronnie Book-Sheriff

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MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the Sheriff's Department, we offer readers of the Catahoula Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff's Department for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with the Sheriff's Department's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Sheriff's Department exceeded its liabilities at the close of the most recent fiscal year by \$1,049,535 (*net assets*). This is a \$10,034 increase from last year.
- The Sheriff's Department had total revenue of \$5,688,184, in which \$3,132,979 came from intergovernmental revenue sources. This is a \$1,697,772 decrease from last year's revenues, mainly due to a decrease in intergovernmental revenues in the special revenue fund (prison fund).
- The Sheriff's Department had total expenditures of \$5,963,066. This is a \$1,724,865 decrease from last year, mainly due to a decrease in administration expenditures in the special revenue fund (prison fund).

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's Department's basic financial statements. The Sheriff's Department's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Sheriff is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Sheriff adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff's Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Sheriff's Department's annual report consists of financial statements that show information about the Sheriff's Department's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Sheriff's Department's Most Significant Funds

The Sheriff's Department's financial statements provide detailed information about the most significant funds. The Sheriff's Department may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

MD&A

Comparative Statement of Net Assets Governmental Funds

The following table represents a condensed Comparative Statement of Net Assets as of June 30, 2007:

	2006	2007	% Change
Assets			
Cash & Investments	\$ 645,380	\$ 636,132	-43.7%
Receivables	448,664	210,151	-53.2%
Capital Assets, Net of Accumulated Depreciation	439,142	414,058	-5.7%
Total Assets	<u>1,533,186</u>	<u>1,260,341</u>	-17.8%
Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	493,685	210,806	-57.3%
Total Liabilities	<u>493,685</u>	<u>210,806</u>	-57.3%
Net Assets			
Invested in Capital Assets, Net of Related Debt	439,142	414,058	-5.7%
Restricted For Debt Service	-0-	-0-	0.0%
Unrestricted	600,359	635,477	5.8%
Total Net Assets	<u>\$ 1,039,501</u>	<u>\$ 1,049,535</u>	1.0%

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2007:

	2006	2007	% Change
Beginning Fund Balances	\$ 552,334	\$ 600,359	8.7%
Total Revenues	7,385,956	5,688,184	-23.0%
Total Expenditures	(7,687,931)	(5,963,066)	-22.4%
Total Other Financing Sources (Uses)	350,000	310,000	-11.4%
Increase (Decrease) in Fund Balances	<u>48,025</u>	<u>35,118</u>	-26.9%
Ending Fund Balances	<u>\$ 600,359</u>	<u>\$ 635,477</u>	5.8%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2007, the Sheriff's Department had \$414,058 invested in capital assets, including furniture and equipment.

	Capital Assets At Year-End	
	2006	2007
Equipment	\$ 687,810	\$ 736,001
Accumulated Depreciation	(248,668)	(321,943)
Total Net Assets	\$ 439,142	\$ 414,058

CONTACTING THE SHERIFF'S DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Department's finances and to show that the Sheriff's Department's accountability for the money it receives. If you have questions about this report or need additional information, contact George Tosspon, Chief Civil Deputy at the Sheriff's Department, phone number (318)744-5411.

Basic Financial Statements

CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Net Assets
June 30, 2007

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 355,128
Investments	281,004
Receivables	6,667
Due From Other Governments	203,484
Capital Assets (Net of Accumulated Depreciation)	414,058
TOTAL ASSETS	<u>1,260,341</u>
LIABILITIES	
Accounts, Salaries, & Other Payables	<u>210,806</u>
TOTAL LIABILITIES	<u>210,806</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	414,058
Restricted For Debt Service	-0-
Unrestricted	635,477
TOTAL NET ASSETS	<u>\$ 1,049,535</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2007**

		Program Revenues		Net (Expense) Revenues & Changes in Net Assets
		Fees, Fines, & Charges for Services	Operating Grants & Contributions	
	Expenses			Governmental Activities
Governmental Activities				
Public Safety	\$ (5,669,385)	\$ 383,392	\$ -0-	\$ (5,285,993)
Interest on Short-Term Debt	(8,765)	-0-	-0-	(8,765)
Total Governmental Activities	<u>\$ (5,678,150)</u>	<u>\$ 383,392</u>	<u>\$ -0-</u>	<u>(5,294,758)</u>
General Revenues				
				816,198
Taxes				3,132,979
Intergovernmental				1,314,874
Reimbursement				40,741
Miscellaneous				<u>5,304,792</u>
Total General Revenues				
Change in Net Assets				10,034
Net Assets - Beginning				<u>1,039,501</u>
Net Assets - Ending				<u>\$ 1,049,535</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2007**

	GENERAL FUND	SPECIAL REVENUE PRISON	TOTAL
ASSETS			
Cash	\$ 25,146	\$ 329,982	\$ 355,128
Investments	-0-	281,004	281,004
Receivables	-0-	6,667	6,667
Due From Other Governments	20,401	183,083	203,484
TOTAL ASSETS	<u>45,547</u>	<u>800,736</u>	<u>846,283</u>
LIABILITIES			
Accounts, Salaries, and Other Payables	27,723	183,083	210,806
TOTAL LIABILITIES	<u>27,723</u>	<u>183,083</u>	<u>210,806</u>
FUND BALANCE			
Unreserved	17,824	617,653	635,477
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 45,547</u>	<u>\$ 800,736</u>	<u>\$ 846,283</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
June 30, 2007**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds (Statement C)		\$ 635,477
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
	Capital Assets	736,001
	Less Depreciation	<u>(321,943)</u>
		414,058
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other		<u>-0-</u>
Net Assets of Governmental Activities (Statement A)		\$ <u>1,049,535</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007**

	GENERAL	SPECIAL REVENUE PRISON	TOTALS
REVENUES			
Fees & Charges	\$ 259,489	\$ 73,337	\$ 332,826
Taxes	816,198	-0-	816,198
Fines	50,566	-0-	50,566
Intergovernmental	227,935	2,905,044	3,132,979
Reimbursement	2,455	1,312,419	1,314,874
Miscellaneous	27,465	13,276	40,741
TOTAL REVENUES	<u>1,384,108</u>	<u>4,304,076</u>	<u>5,688,184</u>
EXPENDITURES			
Administration	1,316,202	1,316,878	2,633,080
Prisoner Expense	42,620	2,897,244	2,939,864
Repairs & Maintenance	26,025	-0-	26,025
Debt Service	310,000	-0-	310,000
Capital Outlay	48,191	-0-	48,191
Other Expenditures	5,906	-0-	5,906
TOTAL EXPENDITURES	<u>1,748,944</u>	<u>4,214,122</u>	<u>5,963,066</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(364,836)</u>	<u>89,954</u>	<u>(274,882)</u>
OTHER FINANCING SOURCES (USES)			
Loans	310,000	-0-	310,000
Transfers In (Out)	48,984	(48,984)	-0-
TOTAL OTHER FINANCING SOURCES (USES)	<u>358,984</u>	<u>(48,984)</u>	<u>310,000</u>
NET CHANGE IN FUND BALANCE	(5,852)	40,970	35,118
FUND BALANCES--BEGINNING	23,676	576,683	600,359
FUND BALANCES--ENDING	<u>\$ 17,824</u>	<u>\$ 617,653</u>	<u>\$ 635,477</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2007**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E	\$ 35,118
Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(25,084)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	-0-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	-0-
Changes in Net Assets of Governmental Activities, statement B	\$ <u>10,034</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Assets
June 30, 2007**

	<u>CIVIL FUND</u>	<u>TAX COLLECTION FUND</u>	<u>BOND FUND</u>	<u>TOTAL</u>
ASSETS				
Cash & Cash Equivalents	\$ 3,722	\$ 19,117	\$ 118,954	\$ 141,793
Investments	<u>-0-</u>	<u>105,160</u>	<u>-0-</u>	<u>105,160</u>
TOTAL ASSETS	<u>3,722</u>	<u>124,277</u>	<u>118,954</u>	<u>246,953</u>
LIABILITIES				
Held for Others Pending Court Action	3,722	-0-	118,954	122,676
Held for Taxing Bodies	<u>-0-</u>	<u>124,277</u>	<u>-0-</u>	<u>124,277</u>
TOTAL LIABILITIES	<u>3,722</u>	<u>124,277</u>	<u>118,954</u>	<u>246,953</u>
NET ASSETS	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

CATAHOULA PARISH SHERIFF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Catahoula Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental funds:

The *General Fund* is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

The *Special Revenue Funds* account for the revenues and expenditures of the operations of the facilities that house the prison population.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (asset equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when their related fund liability is incurred.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

Capital Assets	\$	414,058
Capital Outlay		48,191
Depreciation	\$	73,275

D. BUDGET PRACTICES

The proposed budget for 2007 was made available for public inspection in June 2006. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 30 days prior to the public hearing, which was held at the Catahoula Parish Sheriff in June 2006, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff. The budget was amended for the year ended June 30, 2007.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance and budgeted as a revenue item.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made.

E. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

H. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

I. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

J. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(2) AD VALOREM TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

<u>Property Tax Calendar</u>	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law Enforcement	27.69	27.69	N/A

(3) CASH & INVESTMENTS – (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

Deposits

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

Bank Balances	\$ <u>925,406</u>
Secured As Follows	
FDIC (Category 1)	233,250
Securities (Category 2)	<u>3,481,405</u>
Total	\$ <u>3,714,655</u>

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(4) RECEIVABLES

The receivables of \$210,151 at June 30, 2007, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Prison Fund</u>	<u>Total</u>
Accounts	\$ -0-	\$ 6,667	\$ 6,667
Intergovernmental	20,401	183,083	203,484
Total	\$ 20,401	\$ 189,750	\$ 210,151

Allowance for doubtful accounts is considered not material and is not presented.

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2007, is as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Balance June 30, 2007</u>
Furniture & Equipment General Fund	\$ 585,394	\$ 48,191	\$ 633,585
Furniture & Equipment Correctional Center	102,416	-0-	102,416
Total Fixed Assets	687,810	48,191	736,001
General Fund	(156,975)	(64,696)	(221,671)
Correctional Center	(91,693)	(8,579)	(100,272)
Total Accumulated Depreciation	(248,668)	(73,275)	(321,943)
Capital Assets, Net	\$ 439,142	\$ (25,084)	\$ 414,058

(6) PENSION PLAN

Plan Description. Substantially all employees of the Catahoula Parish Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All Sheriffs and all deputies who are found to be physically fit, who can earn a least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all services rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminated with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Sheriff's contributions to the System for the year ending June 30, 2007 was \$73,750, equal to the required contributions for the year.

(7) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$210,806 at June 30, 2007 are as follows:

	<u>General Fund</u>	<u>Prison Fund</u>	<u>Total</u>
Salaries	\$ 16,218	\$ -0-	\$ 16,218
Withholdings	1,653	-0-	1,653
Accounts	9,852	183,083	192,935
Total	\$ 27,723	\$ 183,083	\$ 210,806

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(8) SHORT-TERM DEBT

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

<u>Beginning Debt</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Debt</u>
\$ -0-	\$ 310,000	\$ (310,000)	\$ -0-

- b. The purpose for which the short-term debt being issued was for operating purposes.

(9) CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	<u>Balance 7-1-06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6-30-07</u>
Civil Fund	\$ 3,585	\$ 217,015	\$ (216,878)	\$ 3,722
Tax Collector Fund	119,085	3,040,981	(3,035,789)	124,277
Bond Fund	195,011	337,018	(413,075)	118,954
Total	\$ 317,681	\$ 3,595,014	\$ (3,665,742)	\$ 246,953

(10) TRANSFERS BETWEEN FUNDS

	<u>Transfers To</u>	<u>Transfers From</u>
General	\$ 48,984	\$ -0-
Special Revenue	-0-	(48,984)
Total	\$ 48,984	\$ (48,984)

Transfers were made for operational purposes.

Required Supplemental Information

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Governmental Fund-General Fund
Schedule of Revenues, Expenditures, & Changes in Fund Balance
Budget (GAAP Basis) & Actual
For the Year Ended June 30, 2007**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Fees & Charges	\$ 114,918	\$ 114,918	\$ 259,489	\$ 144,571
Taxes	899,853	899,853	816,198	(83,655)
Fines	-0-	-0-	50,566	50,566
Intergovernmental	516,467	505,774	227,935	(277,839)
Reimbursement	-0-	-0-	2,455	2,455
Miscellaneous	23,307	-0-	27,465	27,465
TOTAL REVENUES	<u>1,554,545</u>	<u>1,520,545</u>	<u>1,384,108</u>	<u>(136,437)</u>
EXPENDITURES				
Administration	1,417,614	1,417,614	1,316,202	101,412
Prisoner Expense	-0-	-0-	42,620	(42,620)
Repairs & Maintenance	-0-	-0-	26,025	(26,025)
Debt Service	357,992	357,992	310,000	47,992
Capital Outlay	58,532	58,532	48,191	10,341
Other Expenditures	28,435	28,435	5,906	22,529
TOTAL EXPENDITURES	<u>1,862,573</u>	<u>1,862,573</u>	<u>\$ 1,748,944</u>	<u>113,629</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(308,028)</u>	<u>(342,028)</u>	<u>(364,836)</u>	<u>(22,808)</u>
OTHER FINANCING SOURCES (USES)				
Loans	310,000	310,000	310,000	-0-
Transfers From Other Funds	48,984	48,984	48,984	-0-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 358,984</u>	<u>\$ 358,984</u>	<u>358,984</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE			(5,852)	
FUND BALANCE-BEGINNING			23,676	
FUND BALANCE-ENDING			<u>\$ 17,824</u>	

The accompanying notes are an integral part of this statement.

**Other Supplemental Information
& Reports**

JOHN R. VERCHER PC
Certified Public Accountant

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Ronnie Book, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the basic financial statements of the major funds information of the Catahoula Parish Sheriff, as of and for the year ended June 30, 2007, which collectively comprise the Catahoula Parish Sheriff's basic financial statements and have issued our report thereon dated August 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Catahoula Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*, except as shown below and discussed in the Schedule of Findings and Questioned Cost.

2007-C-1 Budgets and Budget Variances

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Catahoula Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Catahoula Parish Sheriff's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Catahoula Parish Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties; however, this document is public record and its use is not limited.

John R. Vercher PC

August 21, 2007
Jena, Louisiana

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2007**

We have audited the basic financial statements of the Catahoula Parish Sheriff as of and for the year ended June 30, 2007 and have issued our report thereon dated August 21, 2007. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards (Not-Applicable)

Internal Control

Material Weaknesses ☐ Yes ☐ No Reportable Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2007**

**Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS
Summary of Auditor's Reports**

Reference	Description of Finding	Recommendation
	<u>Budgets and Budget Variances</u>	
2007-C-1	The Sheriff over budgeted its general fund revenues for the year ended June 30, 2007 by \$136,437 or 9%. The Budget Act requires that governments amend their budgets when revenues fail to meet budgeted revenues or expenditures exceed the budget by more than 5%. Further, the Sheriff's Department did not prepare a budget for its special revenue fund.	When revenues fail to meet budgeted revenues or expenditures exceed the budget by more than 5%, the budget should be amended. Also, the Sheriff's Department should prepare an annual budget for its special revenue fund.

Section III Internal Control

No items to report.

Section IV Federal Awards Findings and Questioned Costs

Not applicable.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2007**

Reference	Description of Finding	Corrective Action Planned	Contact Person	Anticipated Completion Date
2007-C-1	Budgets and Budget Variances	The Sheriff will begin monitoring actual revenues and expenditures in relation to budgeted revenues and expenditures so that the budget can be amended when revenues fail to meet budgeted revenues or expenditures exceed the budget by 5% or more. The Sheriff will begin preparing a budget for its special revenue fund.	George Tosson	June 30, 2008

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Sheriff, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2006.

2006-C-1 Budgets and Budget Variances (Unresolved)

Finding: The Sheriff over budgeted its general fund revenues for the year ended June 30, 2006 by \$180,691 or 9%. The Budget Act requires that governments amend their budgets when revenues fail to meet budgeted revenues or expenditures exceed the budget by more than 5%. Further, the Sheriff's Department did not prepare a budget for its special revenue fund.

Sheriff's Corrective Action: The Sheriff began monitoring actual revenues and expenditures in relation to budgeted revenues and expenditures so that the budget could be amended when revenues failed to meet budgeted revenues or expenditures exceeded the budget by 5% or more. The Sheriff began preparing a budget for its special revenue fund.

2006-I-1 Bond Account Controls (Resolved)

Finding: The Sheriff's Office was installing new software to better control its bond account and other agency funds. During this process, several bank accounts were opened and documentation and other controls were less than adequate.

Sheriff's Corrective Action: The Sheriff's Department installed a new software system to better control bond fund receipts and disbursements.